such as the incidence of unrebated indirect taxes paid on inputs going into the export product, the cost of product development, cost of development of new markets or for the maintenance of the existing market and discriminatory higher freight rates. In the case of agricultural products such as fruits, vegetables and meat or agrobased products, which are perishable in nature, the cost of transportation within India as also the cost of air freight, if applicable are also taken into account.

Similarly, in the case of handicrafts and handlooms, value addition through labour is also given weightage. The extent of the above mentioned disadvantages is verified from the cost data details submitted by a representative section of the industry duly certified by a practising Chartered/Cost Accountant and through the concerned Commodity Board/Export Promotion Council.

While making payment, CCS is restricted to the cut-off point of 25 per cent of the value added. Import allowed against advance licences/imprest licences, special imprest licences and the Import-Export Pass Book licences are taken into account for arriving at the net value-addition. In cases, where advance licences, etc. are not taken advantage of by the exporter, the normal import replenishment rate or any other licences, granted under the import policy for registered exporters are taken into account. The question of payment of CCS in cases of value loss on export, therefore does not arise.

At present Cash Compensatory Support is admissible on all drug and drug-intermediates, not specified elsewhere, excluding 28 items specified in the negative list. There is no such proposal to withdraw Cash Compensatory Support on any drug item.

Proposal to fix differential rate of compensatory support based on value

2032. CHOWDHARY RAM SEWAK:

DR. (SHRIMATI) SAROJINI MAHISHI:

Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that his Ministry are considering to fix differential rate of compensatory support based on value added;

(b) whether it is also a fact that such a step would encourage genuine exports and would result in more foreign exchange earnings; and

(c) if so, by when his Ministry will introduce such a scheme?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DASMUNSHI): (a) No, Sir.

(b) and (c) Do not arise.

Setting up of crodic and information agency

2033. SHRI SYED SIBTEY RAZI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the PHD Chamber of Commerce and Industry has sent a proposal to the Central Government for the establishment of a credit and information giving agency from them; and

(b) if so, what action has been taken by Government thereon?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b) The information is being collected and will be laid on the Table of the House.